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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

20 July 1956

STAFF MEMORANDUM NO. 53-56

SUBJECT: HUNGARIAN LEADERSHIP CHANGES*

1. The circumstances and nature of the changes in the Hungarian party leadership incident to the fall of Rakosi indicate that:

- a) The crisis within the party is deep and has not yet been resolved, and
- b) The Polish pattern of granting minimal concessions to reformist elements while maintaining the top position in the hands of a committed Muscovite is apparently being followed.

2. Testimony as to the depth of the crisis within the party lies in the Central Committee's appeal to the populace to preserve discipline, its explicit admission that adherents of former Premier Nagy would try to capitalize on Rakosi's resignation, and the warning of the new party chief Erno Gero that there would be "no Poznans". The latter remark may be a sound prognostication as well as forced bravado; open opposition to the Rakosi leadership has, for all its intensity, apparently been confined largely to the intellectuals and party aktive.

3. The fall of Rakosi is clearly a victory for the moderates, but the emergence of Gero makes it evident that there has been no capitulation to them. Although Rakosi was clearly a Kremlin favorite, Gero has been equally, though not so conspicuously, Moscow's trusted agent. Gero has been Rakosi's closest associate, spent an equally long period of his life in the USSR and on "special missions" for international communism in the thirties, was reportedly a colonel in the Soviet MVD, and was the leading spokesman for the regime's hard-line economic policies. He would appear to be, like Ochab in Poland, the ideal figure from the Soviet point of view to entrust with the task of keeping within bounds whatever liberalization is to be permitted. Although two of the new politburo members were formerly accused of Titoism and clearly belong to the reformist faction (including Janos Kadar, its probably leader), the other two (including Karoly Kiss, head of the Party Control Committee) are returned Muscovites probably sympathetic with Rakosi's policies.

* This memo has been informally discussed with OCI

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4. In view of Suslov's trip to Budapest in mid-June and the reported subsequent trip of Rakosi, Gero, and other Hungarian leaders to Moscow, it is reasonably clear that the USSR played a guiding role in the changes, just as it did in the deposition of Nagy. Interesting, however, is the tenacity with which the Soviets clung to Rakosi even after the love feast with Tito made him a dubious asset internationally. As late as 8 July, Pravda was reprinting the Rakosi-sponsored denunciation of anti-party elements of 30 June; and over the last few months there were a number of pointed expressions of esteem for Rakosi issued by Veroshilov and other Soviet leaders. It appears, therefore, that Moscow sanctioned the change reluctantly, and in so doing hopes to undercut the groundswell of nationalist and reformist sentiment that has been running through the Hungarian Party.

5. The substance of these changes and the method of introducing them will probably not have the net affect of propitiating reformist elements in the party. Although these elements probably cannot expect to reinstate Nagy, they probably hope that a figure at least as sympathetic to change as Kadar may eventually gain the upper hand in the post-Rakosi leadership. In any case, the opposition may be too openly committed against the Moscow-directed leadership and some of its policies to be brought to heel without a return to the more forcible means of discipline which are alleged to have been repudiated by the 20th Congress "reforms".

6. If the present changes do not restore order to the Hungarian Party, Moscow will be presented with a serious dilemma. It is doubtful that it still has in reserve other personalities it would trust with the Hungarian leadership who would also be capable of appeasing the dissidents. It could of course return to enforced discipline, but this would repudiate the general line laid down at the recent Party Congress and probably have undesirable repercussions elsewhere. Such a dilemma might also trouble the purported harmony within the Soviet leadership itself. If the report that Mikoyan is now in Budapest proves correct, it will be further evidence of the Kremlin's serious concern.

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